

Message Text

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INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04
NSAE-00 SIL-01 DODE-00 PM-05 H-01 L-03 NSC-05
PA-01 SP-02 SS-15 USIA-06 AID-05 OPR-02 SY-05
TRSE-00 /088 W
-----075673 212214Z /65
R 212022Z MAR 78
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 5016

C O N F I D E N T I A L SECTION 1 OF 2 BUENOS AIRES 2114

E.O. 11652: GDS
TAGS: ELAB, PINT, AR
SUBJECT: PERONIST LABOR ACTIVITY AND POSSIBLE UNREST

SUMMARY. THE PERONIST LABOR MOVEMENT, THE CUTTING EDGE OF THE PERONIST POLITICAL FORCE IN THE PAST, IS SHOWING SIGNS OF EMERGING FROM TWO YEARS OF INACTIVITY. NEW ORGANIZATIONAL MACHINERY IS BEING FORMED AND MANIFESTOS ARE BEING DRAWN UP. THERE ALSO APPEARS TO BE AN ATTEMPT DEVELOPING TO ORGANIZE A GENERAL STRIKE--WITH SOME DEGREE OF ENCOURAGEMENT FROM THE POLITICALLY AMBITIOUS NAVY CHIEF, ADMIRAL MASSERA, AND POSSIBLY OTHER DISGRUNTLED MILITARY FIGURES AND SOME INDUSTRIALISTS AS WELL. THIS WOULD BE A POLITICAL STRIKE, WITH LABOR AND ECONOMIC CONDITIONS PROVIDING THE JUSTIFICATION. THE IMMEDIATE AIM IS TO FORCE THE ECONOMY MINISTER FROM THE GOVERNMENT AND TO REVERSE HIS POLICIES. THE VIDELA GOVERNMENT, HOWEVER, APPEARS PREPARED TO REPRESS SERIOUS LABOR PROTESTS AS THEY MATERIALIZE. END SUMMARY

1. THERE HAS BEEN A PERCEPTIBLE INCREASE IN EXTRALEGAL
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LABOR/POLITICAL ORGANIZATIONAL ACTIVITY OF THE PERONIST TRADE UNION MOVEMENT IN RECENT WEEKS. TWO NEW COMMITTEES HAVE APPEARED RECENTLY ON THE LABOR SCENE. WITHIN THE COMMITTEE OF 25 NATIONAL UNION SECRETARIES GENERAL--THE CONFEDERAL GROUP WHICH HAS BEEN ACTING AS A DE FACTO "CONFEDERACION GENERAL DE TRABAJO" CGT NATIONAL BOARD DURING THE CURRENT PERIOD OF TRADE UNION

SUSPENSION--A NEW "COMMITTEE OF 9" HAS BEEN FORMED WHICH REPRESENTS THE POLITICAL INTERESTS OF THE HARDCORE VERTICALIST PERONIST LABOR STRUCTURE. THE "COMMITTEE OF 9" IS IN EFFECT A VERTICALIST PERONIST CAUCUS WITHIN THE COMMITTEE OF 25 WHICH PROPOSES TO CARRY OUT THE ROLE FORMERLY PLAYED BY THE "62 ORGANIZATIONS"--THE POLITICAL COORDINATING MECHANISM AND MOUTHPIECE OF THE MAINSTREAM PERONIST LABOR MOVEMENT OF YEARS PAST. AN ADVISORY COUNCIL HAS ALSO BEEN FORMED OF "LABOR ELDER STATESMEN", I.E. VETERANS OF LABOR POLITICS LIKE MIGUEL UNAMUNO, ELEUTERIO CARDOSO AND JUAN TACCONE, TO HELP COUNSEL THE COMMITTEES OF 9 AND 25. WE UNDERSTAND THAT A TENTATIVE 11-POINT POLITICAL AGENDA HAS BEEN DRAFTED WHICH PROVIDES A FRAMEWORK FOR CONSIDERING SUCH QUESTIONS AS A PROMOTION CAMPAIGN TO BE UNDERTAKEN FOR ELICITING THE SYMPATHY OF THE CATHOLIC CHURCH, BUSINESS AND OTHER SECTORS, THE NEGOTIATING STRATEGY TO BE FOLLOWED WITH THE ARMED FORCES AND THE MILITARY GOVERNMENT, THE POSTURE TO BE ADOPTED VIS-A-VIS THE INTERNATIONAL LABOR MOVEMENT AND THE ILO (INCLUDING THE KEY ISSUE WHETHER TO ATTEND THE INTERNATIONAL LABOR CONFERENCE THIS YEAR) AND OTHER POINTS. AT THE SAME TIME, THE COMMITTEE OF 25, WITH THE ASSISTANCE OF THE ADVISORY GROUP, HAS DRAWN UP A DOCUMENT PROTESTING THE CURRENT WAGE AND ECONOMIC CONDITIONS, WHICH IT HOPES TO BE ABLE TO PRESENT TO THE LABOR MINISTER.

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2. WE ALSO HAVE REPORTS THAT THE VERTICALIST PERONIST SECTOR OF THE LABOR MOVEMENT--OR AT LEAST CERTAIN UNION LEADERS WITHIN THAT SECTOR--HAVE BEEN DISCUSSING AND POSSIBLE ARE EVEN ORGANIZING FOR A GENERAL WORK STOPPAGE TARGETED FOR SOMETIME IN APRIL. SOME SOURCES ALLEGE THAT JUNTA MEMBER ADMIRAL MASSERA IS ALMOST OPENLY ENCOURAGING LABOR LEADERS TO GO OUT ON STRIKE IN ORDER TO PROMOTE HIS OWN POLITICAL PLANS. ONE LEADER WHO LED A TRADE UNION DELEGATION TO SEE MASSERA SEVERAL WEEKS AGO ASSERTS THAT THE ADMIRAL TOLD THE LEADERS THAT THEY WERE PERFECTLY RIGHT IN PREPARING FOR A STRIKE "WITHIN 40 DAYS." WE ALSO HEAR VAGUE INSINUATIONS THAT HARDLINE ARMY GENERAL SUAREZ MASON IN RECENT CONVERSATIONS WITH PERONIST PARTY FIGURES HAS GIVEN THE LATTER THE IMPRESSION HE DOES NOT INTEND TO INTERVENE WITH HIS TROOPS SHOULD SERIOUS LABOR AND LABOR POLITICAL PRESSURES DEVELOP AGAINST THE VIDELA GOVERNMENT. RECENT POLICE ACTIONS IN HIS AREA WOULD APPEAR TO SHED DOUBT ON THIS INTERPRETATION (SEE PARA 4 BELOW), BUT THE GENERAL IMPLICATION IS THAT SUAREZ MASON IS KEEPING HIS OPTIONS OPEN TO THE PERONISTS AND MAY BE IN SECRET LEAGUE WITH ADMIRAL MASSERA.

3. ONE THEORETICAL SCENARIO WE HEAR FROM LABOR SOURCES WOULD ENVISUALIZE A WORK STOPPAGE SOMETIME BETWEEN MARCH 20 AND MID-APRIL, LIMITED TO ONE OR TWO DAYS AND INTENDED AS A DEMONSTRATION AGAINST THE POLICIES OF THE GOVERNMENT'S ECONOMIC TEAM. A LABOR LEADER WHO DESCRIBED THIS POSSIBILITY ANTICIPATED AN ORDERLY AND WELL-CONTROLLED PROTEST, AFTER WHICH THE WORKDS WOULD RETURN TO THEIR JOBS. AS THIS LEADER EXPLAINED IT, IT WOULD CLEARLY BE A POLITICAL STRIKE, THE IMMEDIATE OBJECTIVE BEING TO PRESSURE PRESIDENT VIDELA INTO REMOVING ECONOMY MINISTER MARTINEZ DE HOZ FROM THE GOVERNMENT AND REVERSING HIS POLICIES. THE SIGNIFICANCE OF THE MID-MARCH-TO-MID-APRIL TIMEFRAME IS THAT THE STRIKE ADVOCATES REPORTEDLY BELIEVE THE CURRENT ECONOMIC RECESSION MAY REACH ITS WORST
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STAGE DURING THIS PERIOD. ACCORDING TO THIS VIEW, FACTORY SHUTDOWNS AND LAYOFFS MAY PEAK DURING THIS TIME AND, MORE IMPORTANTLY, THE STRUGGLE BETWEEN VIDELA AND THE NAVY OVER THE SO-CALLED "4TH MAN ISSUE" (I.E., THE DISTRIBUTION OF POWER BETWEEN THE PRESIDENT AND

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THE NEXT JUNTA) COULD ALSO REACH ITS CLIMAX.

4. THESE REPORTS MAY EXAGGERATE THE DEGREE OF STRIKE ORGANIZATIONAL ACTIVITY THAT IS ACTUALLY GOING ON, THE

MASSERA CONNECTION AND THE LIKELY PROSPECTS. WHILE NOT TOTALLY RELEVANT TO WHAT IS PROFESSEDLY A POLITICALLY-ORIENTED STRIKE CALL, THERE HAVE BEEN SOME HOPEFUL ECONOMIC SIGNS THAT THE RECESSION MAY BE BEGINNING TO BOTTOM OUT--THE DROP IN INTEREST RATES, THE REDUCTION OF THE COST-OF-LIVING IN FEBRUARY TO 6.2 PERCENT, AND THE RESUMPTION OF PRODUCTION IN SOME FACTORIES--WHICH PRESUMABLY SHOULD HAVE BEARING ON THE OUTCOME. THERE ARE ALSO SEVERAL IMPORTANT POLITICAL FACTORS WHICH MILITATE AGAINST THE LIKELIHOOD OF A TOTALLY EFFECTIVE GENERAL STRIKE. THE PERSISTENCE OF OLD FEUDS DIVIDING THE PERONIST LABOR LEADERS INTO VARIOUS CLIQUES IS A RELEVANT FACTOR. SOME OF THE LEADERS--WHETHER BECAUSE THEY RETAIN CLOSER LINES OF COMMUNICATION TO THE VIDELA-VIOLA AXIS OF THE ARMY AND THE GOVERNMENT THAN TO ADMIRAL MASSERA AND THE NAVY OR FOR OTHER REASONS--MAY BE INCLINED TO DRAG THEIR FEET BEFORE ALLOWING THEMSELVES TO BE SWEEPED UP IN A POLITICAL CABAL ORGANIZED BY THE VERTICALIST PERONIST SECTOR. MORE IMPORTANTLY, GOVERNMENT SECURITY FORCES ARE WATCHING THE LABOR SCENE VERY CAREFULLY AND, AS IN THE CASE OF

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THE RECENT ABORTED ATTEMPT OF RAILWAY LOCOMOTIVE ENGINEERS TO WALK OFF THEIR JOBS, APPEAR FULLY PREPARED TO STEP IN QUICKLY TO AVERT MAJOR LABOR TROUBLE. IN THAT PARTICULAR EPISODE ARMY AND POLICE OCCUPIED KEY RAILROAD YEARS TO ENSURE THAT THE WORKERS STAYED ON THE JOB. SEVERAL UNION SECTION LEADERS WERE ALSO ARRESTED AND HAVE BEEN PLACED AT THE DISPOSAL OF JUDICIAL AUTHORITIES ON CHARGES OF HAVING VIOLATED INTERNAL SECURITY LAWS. WE ALSO HAVE REPORTS OF FREQUENT INTIMIDATION OF WORKERS IN THE FACTORY DISTRICTS. WE IMAGINE THAT SHOULD THE STRIKE LEADERS PROGRESS SUFFICIENTLY WITH THEIR PLANS THE GOVERNMENT WOULD EFFECT WIDESCALE ARRESTS.

5. NONETHELESS, WE BELIEVE THAT ECONOMIC DISCONTENT IS SUFFICIENTLY WIDESPREAD THAT SPONTANEOUS, SPORADIC STRIKES ON THE PART OF THE RANK-AND-FILE WORKERS IN ANY PARTICULAR SECTOR COULD SPREAD INTO A MORE GENERALIZED LABOR CONFLICT. INDEED, ONE OF THE BASIC ELEMENTS IN THE THINKING OF THE STRIKE ORGANIZERS AT THE NATIONAL LEVEL IS THAT THEY SHOULD BE READY TO TAKE CHARGE OF ANY WILDCAT STRIKES WHICH DEVELOP SPONTANEOUSLY--LEST THE LABOR HEADS FIND THEMSELVES SWEEPED ASIDE BY MORE RADICAL RANK-AND-FILE ELEMENTS.

6. WITH REGARD TO THE LABOR MOVEMENTS'S POLITICAL COMPOSITION, THE ARMY ENJOYED AT THE TIME OF THE 1976 COUP CONSIDERABLY GREATER INFLUENCE OVER THE MAJOR

LABOR LEADERS THAN THE OTHER TWO ARMED SERVICES. IN
IN FACT, THE ARMY WAS ABLE TO SECURE THE ACQUIESCENCE
OF ANTIVERTICALIST AND INDEPENDENT TRADE UNION LEADERS
IN THE COUP AGAINST WHAT WAS SUPPOSED TO HAVE BEEN A
PRO-LABOR GOVERNMENT. HOWEVER, SINCE THE COUP, ADMIRAL
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MASSERA HAS WORKED ASSIDUOUSLY TO WEAN AWAY LABOR LEADERS
FROM THE ARMY'S SPHERE OF INFLUENCE. TAKING ADVANTAGE
OF THE SOCIAL WELFARE MACHINERY OF THE STATE WHICH BEFELL
THE NAVY IN THE TRIUMVIRATE SCHEME WHICH CHARACTERIZES
THE CURRENT MILITARY GOVERNMENT, NAVY ELEMENTS HAVE USED
THE POWER OF THE PURSE TO INTIMIDATE UNION LEADERS WHO
HAVE BEEN CLOSELY IDENTIFIED WITH THE ARMY. NASTIER
FORMS OF EXTORTION HAVE ALSO BEEN USED. IN SOME CASES
LEADERS HAVE BEEN FORCED OUT OF THEIR JOBS BY THE COMBINED
PRESSURES OF THE NAVY AND RANK-AND-FILE UNION MEMBERS
LOYAL TO THE VERTICALIST PERONIST LABOR SECTOR. AT THE
SAME TIME, THE ARMY HAS BEEN UNABLE TO FULFILL PROMISES
MADE EARLIER OF A RAPID NORMALIZATION OF TRADE UNION
ACTIVITIES--DUE IN LARGE DEGREE, IRONICALLY ENOUGH, TO
THE NAVY'S HARDLINE POSITION ON TRADE UNION REFORM WITHIN
THE INNER COUNCILS OF GOVERNMENT. THE END RESULT IS THAT
THE ARMY HAS LOST GROUND TO THE NAVY IN THE LABOR FIELD.
WHILE THE NUMBER OF ANTIVERTICALIST AND INDEPENDENT TRADE
UNION LEADERS PROBABLY EXCEEDS THOSE WHO ARE IN THE
ORTHODOX OR VERTICALIST PERONIST CAMP, THE LATTER ARE A
MORE COMPACT GROUP WHO INCLUDE THE HEADS OF THE LARGER AND
MORE IMPORTANT INDUSTRIAL UNIONS.

7. THIS DOES NOT MEAN THAT THE BULK OF THE VERTICALIST
LABOR LEADERS HAVE TOTALLY IDENTIFIED THEMSELVES WITH
MASSERA OR THAT THEY HAVE IRRETRIEVABLY HOOKED THEIR
WAGONS TO MASSERA'S POLITICAL STAR. THE WISEST OF THE
LABOR LEADERS APPEAR TO BE WORKING TOWARDS A STRATEGY OF
KEEPING THEIR NEGOTIATING LINES OPEN TO MUTUAL RIVALS
MASSERA AND ARMY CHIEF OF STAFF VIOLA, BOTH OF WHOM
THESE UNION LEADERS SEE AS THE MAJOR CATALYSTS FOR
POLITICAL REACTIVATION IN THE COUNTRY. AS LATE AS A
YEAR AGO, THESE LEADERS SAY, THERE WAS STILL A GRAVE
DANGER THAT HARDLINE GENERALS OF THE ARMY MIGHT DECIDE
TO HAVE ALL THE TOP LABOR LEADERS ROUNDED UP AND EXECUTED.
THIS PERIL HAS RECEDED AND NOW PERONIST LABOR SEES THE
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POLITICAL SITUATION BEGINNING TO OPEN UP--THANKS TO

MASSERA'S MACHINATIONS FOR HIS OWN PERSONAL ENDS ON THE ONE HAND AND TO VIDELA-VIOLA'S INTEREST IN GRADUAL POLITICAL INSTITUTIONALIZATION ON THE OTHER.

8. BY COURTING PERONIST LABOR, MASSERA SEEKS NOT ONLY LABOR'S POLITICAL SUPPORT FOR ANY FUTURE PRESIDENTIAL ELECTION CAMPAIGN HE MAY HOPE TO ORGANIZE, BUT, TO THE DEGREE HE MAY BE FOMENTING STIKE ACTIVITY, HIS AIM PRESUMABLY IS ALSO TO WEAKEN AND DESTABILIZE THE VIDELA GOVERNMENT. LABOR'S AIM IS TO GET RID OF MARTINEZ DE HOZ AND TO HAVE HIM REPLACED BY AN ECONOMIC NATIONALIST, BUT NOT NECESSARILY TO REMOVE VIDELA. IN REVIEWING THE BASIC ELEMNTNS OF THE SITUATION AS WE NOW SEE THEM, WE DOUBT THAT ANY STRIKE ACTIVITY THAT DOES MATERIALIZE WILL BE OF SUFFICIENT GRAVITY TO DESTABILIZE THE VIDELA GOVERNMENT. HOWEVER, IF IT DID, THE WORKERS MIGHT FIND THAT AS AN END RESULT THEY HAVE UNLEASHED A FRESH RAIN OF HARDLINE REPRESSION AGAINST THE LABOR SECTOR AND A CONSEQUENT RADICALIZATION OF THE PROCESS. PERONIST LABOR IS PLAYING A DANGEROUS GAME--BUT FOR THEM IT MAY BE THE ONLY GAME THEY HAVE TO PLAY.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNION GOVERNMENT RELATIONS, LABOR UNIONS, REORGANIZATIONS, POLITICAL STRIKES, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 21 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BUENOS02114
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780125-0124
Format: TEL
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780344/aaaablab.tel
Line Count: 300
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d5dc60c3-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 06 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3260653
Secure: OPEN
Status: NATIVE
Subject: PERONIST LABOR ACTIVITY AND POSSIBLE UNREST SUMMARY. THE PERONIST LABOR MOVEMENT, THE CUTTING EDGE OF THE PERONIST POLITICAL FORCE
TAGS: ELAB, PINT, AR
To: STATE
Type: TE
vdkgvkey: odbcr://SAS/SAS.dbo.SAS_Docs/d5dc60c3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014